Haynsworth Sinkler Boyd, PA.

ATTORNEYS AND COUNSELORS AT LAW

1201 MAIN STREET, 22ND FLOOR (29201-3226)
POST OFFICE BOX 11889 (29211-1889)
COLUMBIA, SOUTH CAROLINA
TELEPHONE 803.779.3080
FACSIMILE 803.765.1243
WEBSITE www.hsblawfirm.com

JOHN P. BOYD DIRECT DIAL NUMBER 803.540.7731 EMAIL jboyd@hsblawfirm.com

April 30, 2007

# VIA HAND DELIVERY

2007.171.E

The Honorable Charles L. A. Terreni Chief Clerk & Administrator Public Service Commission of South Carolina 101 Executive Center Drive Columbia, South Carolina 29210

Re: Implementation of Time-of-Use Rates for Residential and Commercial Customer Classes

Dear Mr. Terreni:

The purpose of this letter is to request, on behalf of South Carolina Electric & Gas Company ("SCE&G") approval by the Commission of two new electric rate offerings. The new electric rate offerings are time-of-use rates with demand components and will not cause any increase in present rates. Rate 7 is a residential time-of-use rate and Rate 28 is a small general service time-of-use rate (the "New Rates"). The rate sheets for the New Rates are attached hereto.

The New Rates are being added to provide customers in these rate classes with additional options to manage their energy usage and are voluntary and do not supersede any existing rate schedule. Presently, these customers have the option of a time-of-use energy only rate. SCE&G will continue to offer that rate. These New Rates, however, include a time-sensitive demand charge that will assist customers in these rate classes by providing a price signal to help the customer decide whether to shift or shed demand during peak periods. Such information can benefit the customers in these rate classes by providing the customer with the opportunity to shift or shed demand which in turn can assist in reducing their bill. The New Rates also will benefit all SCE&G customers by potentially reducing peak load which in turn can reduce the need for additional generation capacity.

Pursuant to S.C. Code Ann. § 58-27-870(F) (Supp. 2006), the Commission may issue an order allowing rates and tariffs to be put into effect without notice and hearing when such rates "do not require a determination of the entire rate structure and overall rate of return, or...do not result in any rate increase to the electrical utility." Because the New Rates will not require a determination of the entire rate structure or result in an increase in rates for customers, SCE&G respectfully requests that the Commission review the attached rates and approve such rates and tariffs without notice or hearing. If approved, these rates will become effective for bills rendered on and after the first billing cycle of June 2007.

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By copy of this letter, we are also serving the South Carolina Office of Regulatory Staff with a copy of the New Rates and attach a certificate of service to that effect.

Thank you for your consideration of this matter.

Respectfully Submitted,

JPB:/md Enclosures

cc:

Shannon Bowyer Hudson, Esq.

Randy Watts, Esq. K. Chad Burgess, Esq. RATE 7

RESIDENTIAL SERVICE TIME-OF-USE DEMAND

#### **AVAILABILITY**

This rate is available on a voluntary basis to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system to individually metered private residences and individually metered dwelling units in apartment structures or other multifamily residential structures. It is not available for resale service nor shall service be supplied to dwelling units having a total of more than ten rooms, five or more of which are rented or offered for rent to any person or persons not a member, or members, of the immediate family of the owner or lessor of the dwelling units.

A dwelling unit is defined as a room or group of rooms having, in addition to living quarters, kitchen facilities for the sole use of the family or individual occupying such dwelling unit.

#### **CHARACTER OF SERVICE**

Alternating Current, 60 hertz, single phase, 120 volts, 2 wire or 120/240 volts 3 wire.

#### **RATE PER MONTH**

I. Basic Facilities Charge: \$11.25

II. Demand Charge:

A. On-Peak Billing Demand

 Summer Months of June-September @
 \$9.70
 per KW

 Non-Summer Months of October-May @
 \$6.06
 per KW

III. Energy Charge:

 All on-peak Kwhrs.@
 \$0.06337
 per Kwhr.

 All off-peak Kwhrs.@
 \$0.04901
 per Kwhr.

#### **MINIMUM CHARGE**

The monthly minimum charge shall be the basic facilities charge as stated above.

#### **BILLING DEMAND**

The maximum integrated fifteen minute demand for the current month occurring during the on-peak hours specified below. The maximum integrated fifteen minute demand for any period may be recorded on a rolling time interval.

#### **DETERMINATION OF ON-PEAK HOURS**

#### A. On-Peak Hours:

Summer Months of June-September:

The on-peak summer hours are defined as the hours between 2:00 p.m.-7:00 p.m., Monday-Friday, excluding holidays.\*

Non-Summer Months of October-May:

The on-peak winter hours are defined as the hours between 7:00 a.m.-12:00 noon, Monday-Friday, excluding holidays.\*

# B. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

\*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

#### **ADJUSTMENT FOR FUEL COSTS**

Fuel costs of \$.02630 per Kwhr. are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

# STORM DAMAGE COMPONENT

The energy charges above include a storm damage component of \$.00043 per Kwhr. for accumulation of a storm damage reserve.

#### **SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

#### **PAYMENT TERMS**

All bills are net and payable when rendered.

# SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

The Company shall have the right to install and operate special metering equipment to measure customer's loads or any part thereof and to obtain any other data necessary to determine the customer's load characteristics.

The Company's levelized payment plans are not available to customers served under this rate schedule.

#### TERM OF CONTRACT

Contracts shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

# **GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

RATE 28

# SMALL GENERAL SERVICE TIME-OF-USE DEMAND

#### **AVAILABILITY**

This rate is available to any non-residential customer using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system for power and light requirements and having an on-peak demand of less than 500 KW. The second billing month within a twelve billing month period that on-peak demand exceeds 500 KW will terminate eligibility under this rate schedule. It is not available for resale service.

#### **CHARACTER OF SERVICE**

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

#### **RATE PER MONTH**

I.	Basic Facilities Charge:	\$18.15
H.	Demand Charge:	
A.	On-Peak Billing Demand:	
	1. Summer months of June-September @	\$15.81 per KW
	Non-Summer months of October-May @	\$9.88 per KW
В.	Off-Peak Billing Demand	
	All Off-Peak Billing Demand @	\$1.58 per KW
Ш.	Energy Charge:	
A.	On-Peak Kwhrs.	
	1. All On-Peak Kwhrs. @	\$0.05231 per Kwhr.
В.	Off-Peak Kwhrs.	
	2. All Off-Peak Kwhrs. @	\$0.04050 per Kwhr.

#### **BILLING DEMAND**

The billing demands will be rounded to the nearest whole KW. The maximum integrated fifteen minute demand for any period may be recorded on a rolling time interval.

For the summer months, the on-peak billing demand shall be the maximum integrated fifteen minute demand measured during the on-peak hours of the current month.

For the non-summer months, the on-peak billing demand will be the greater of: (1) the maximum integrated fifteen minute demand measured during the on-peak hours of the current month, or (2) eighty percent (80%) of the maximum integrated demand occurring during the on-peak hours of the preceding summer months.

The off-peak billing demand shall be the greatest of the following positive differences: (1) the maximum integrated fifteen minute demand measured during the off-peak hours minus the on-peak billing demand or (2) the contract demand minus the on-peak billing demand.

#### **DETERMINATION OF ON-PEAK HOURS**

#### A. On-Peak Hours:

June-September:

The on-peak summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.\* October-May:

The on-peak non-summer hours are defined as those hours between 6:00 a.m.-10:00 a.m. and 6:00 p.m.-10:00 p.m. Monday-Friday, excluding holidays.\*

#### B. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

\*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

#### MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction cost in addition to the rate charges above.

# **ADJUSTMENT FOR FUEL COSTS**

Fuel cost of \$.02630 per Kwhr. are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

# STORM DAMAGE COMPONENT

The energy charges above include a storm damage component of \$.00038 per Kwhr. for accumulation of a storm damage reserve.

### **SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

# **POWER FACTOR**

If the power factor of the customer's installation falls below 85%, the Company may adjust the billing to a basis of 85% power factor.

#### RATE 28

# SMALL GENERAL SERVICE TIME-OF-USE DEMAND

# **PAYMENT TERMS**

All bills are net and payable when rendered.

#### **SPECIAL PROVISIONS**

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

The Company shall have the right to install and operate special metering equipment to measure customer's loads or any part thereof and to obtain any other data necessary to determine the customer's load characteristics.

#### **TERM OF CONTRACT**

The contract terms will depend on the conditions of service. Contracts for installations of a permanent nature shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

# **GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

# **BEFORE**

# THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

IN RE:		
Implementation of Time-of-Use Rates for Residential and Commercial Customer Classes	) )	CERTIFICATE OF SERVICE

This is to certify that I, John P. Boyd, an employee of Haynsworth Sinkler Boyd, P.A., have this date served one (1) copy of the Letter to Charles L. A. Terreni re Implementation of Time-of-Use Rates for Residential and Commercial Customer Classes in the above-referenced matter to the person(s) named below by causing said copy to be hand delivered and addressed as shown below:

Shannon Bowyer Hudson, Esq. Randy Watts, Esq. State of South Carolina Office of Regulatory Staff 1441 Main Street, Suite 300 Columbia, S.C. 29201

JØHN P. BOYD

April 30, 2007 Columbia, South Carolina